(c) To what extent this *has* been welcomed by the NRIs; and

(d) What are the details of projects finalised for implementation by NRI at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MIN -ISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) With a view to further encouraging NRI investments,, RBI have in May and June 1993 issued an enablig notification nd circular tc allow existing or new companies to issue equity shares and convertible debentures to non-residents of Indian nationality! origin upto 100 per cent of *the* new issue, with repatriation be nefits, for the following activities: —

(i) Development of serviced plots and construction of built up residential premises;

(ii) Real estate covering contraction of residential and commercial premises including business centres and offices;

(iii) Development of townships,

(iv) City and region level urban infra-structure facilities including roads and bridges; and

(v) Financing of housing development.

(c) and (d) As the enabling notification and circular have been issued only in May-June 1993, it would be loo early at this stage to evaluate definitively the extent of response from NRIs to this announcement of RBI, or the details of projects in the housing sector promoted by the NRI entrepreneurs

Change in the Excise Policy

2559. SHRI KRISHAN LAL SHAR -MA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to change the excise policy, if so, what are the details thereof; and

(b) what are the reasons that have necessitated the change in the policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) In terms of Entry 84 of List I of the Seventh Schedule of the Constitution of India, central excise duty is leviable on specified goods manufactured or produced in India. At present, there is no proposal to change this policy of excise levy.

Reduction in the rates of Banks interest

2560. SHRIMATI VEENA VERMA;
SHRI RAJNI RANJAN SAHU:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had lately reduced both the upper and lower limits of the rate of interest on deposits as well as advances for banks;

(b)' if so, what are the reasons for during the interest rate specially 11 deposits :and

(c) whether this has and is on deposits and also on savings?

THE MINISTER. OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) As per directives issued by Reserve Bank of India (RBI) to all scheduled commercial banks interest rates on term deposits/saving deposits as also on advances have been reduced recently as under.

TERM DEPOSITS Interest Rate for maturty of 46 days to 3 years and

above was reduced by one percentage point from "not exceeding 12.0 per cent p.a," to "not exceeding 11.0 per cent p. a. with effect from 1st March, 1993.

SAVINGS DEPOSITS Interest Rate was reduced by one percentage point from 6.0 per cent p.a. to 5.0 per cent p.a. with effect from 1st July, 1993."

Advances

Size of Limits	Rate of Interest (% p.a.)	
	Upto 23.6.1993	Revised Rate effective 24.6.1993
Over Rs. 25,000/- and upto Rs. 2 Lakhs	16.5	16.0 (fixed)
Over Rs. 2 lakhs	17.0 (minimum)	16.0 (minimum)

The structure of lending rate is determined by RBI taking into account a number of factors like the growth of economy, the rate of inflation, the pace of monetary expansion, the cost of raising resources by banks, the profitability of banks etc.

RBI feels that the current structure of rate for deposits and lending is appropriate. The data given in the Table below show a steady growth in aggregate deposits and bank credit by all scheduled commercial banks.

(Rs. in crores)

As on	Deposits	Credit
March, 1991	192542	116301
March, 1992	230738	125592
March, 1993	268250	151662

World Bank concern over slow pace of reforms

2561. SHRIMATI VEENA VERMA:
SHRI RAJNI RANJAN SAHU:

Will the Minister of FINANCE be pleased to state:

(a) whether a World Bank team which visited India in May thlis year, expressed concern over the slow pace .of reforms effected by Government;

(b) if so, what were their precise concerns and suggestions; and

(c) what steps hava bean taken in response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE' MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED):

(a) No, Sir.

(b) and (e) Does not arise.